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relief was given by the government to the New York market. In 1909 the percentage with New York banks fell to 4 per cent of the total, and since then it has ranged from 3 per cent to 8 per cent. New York's share was lowest in 1912, when it was 3 per cent and 4 per cent. This year it has ranged from 3 per cent to 7 per cent, the last report showing 3 per cent.

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BOND INVESTMENTS BY NATIONAL BANKS

The note on "Bond Investments by National Banks" by Mr. John V. Hogan in the November *Journal of Political Economy* directs attention to an important development in American banking practice. The particular exhibits which Mr. Hogan employs to show the rapid increase in the security holdings of the national banks are, however, defective.

Mr. Hogan states that between September 1, 1909, and June 14, 1912, the following changes occurred with respect to the national banks:

1. Aggregate capital stock increased 10.06 per cent.
2. Aggregate individual deposits increased 17.59 per cent.
3. Loans and discounts increased 17.76 per cent.
4. Holdings of securities other than United States bonds increased 41.63 per cent.
5. Holdings of securities other than United States, state, or municipal bonds increased 48.57 per cent.
6. The proportion of state, municipal, and railroad bonds to total security holdings decreased from 65½ per cent in 1909 to 49½ per cent in 1912.
7. The capital stock of all national banks on June 14, 1912, was \$1,046,012,500.
8. The ratio of securities other than United States, state, or municipal bonds to capital stock increased from 64 per cent in 1909 to 87 per cent in 1912.

As a matter of fact, the changes which took place in the period indicated show no such disproportionate increase in security holdings, being as follows:

1. The aggregate capital stock at the two dates was:

September 1, 1909.....	\$ 944,642,067.00
June 14, 1912.....	1,033,570,675.00

showing an increase of 9.41 per cent.

2. Aggregate individual deposits at the two dates were:

September 1, 1909.....	\$5,009,893,079.79
June 14, 1912.....	5,825,461,163.36

showing an increase of 16.27 per cent.

3. Loans and discounts at the two dates were:

September 1, 1909.....	\$5,128,882,351.18
June 14, 1912.....	5,953,904,431.85

showing an increase of 16.08 per cent.

4. Holdings of securities other than United States bonds at the two dates were:

September 1, 1909.....	\$ 916,380,300.00
June 14, 1912.....	1,077,783,001.00

showing an increase of 17.61 per cent.

5. Holdings of securities other than United States, state, or municipal bonds at the two dates were:

September 1, 1909.....	\$ 760,569,010.00
June 14, 1912.....	898,460,997.00

showing an increase of 18.13 per cent.

6. On September 1, 1909, the banks held:

State, county, and municipal bonds.....	\$ 155,811,290.00
Railroad bonds.....	342,525,224.00

Total.....	\$ 498,336,514.00
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forming 54.4 per cent of their total security holdings.

7. The capital stock of all national banks on June 14, 1912, was \$1,033,570,675.00.

8. The ratio of securities other than United States, state, or municipal bonds to capital stock increased from 80.5 per cent in 1909 to 86.9 per cent in 1912.

It might be worth while noting that the period from 1909 to 1912, as I have elsewhere shown,¹ was marked by comparatively slow increase in the relative importance of security holdings. Indeed from 1909 to 1910, and from 1911 to 1912, there was a decline in the importance of such holdings relative to banking resources, and although the increase from 1910 to 1911 was marked, the net change for the three years was moderate.

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¹ "The Security Holdings of National Banks," in *American Economic Review*, December, 1913.